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(WASHINGTON) - Congressman Russ Carnahan (MO-3) supports a renewed law to get our federal budget under control - a crucial part to strengthen the American economy. Today the U.S. House of Representatives passed the Statutory Pay-As-You-Go Act 2009, co-sponsored by Congressman Carnahan, which requires Congress to offset the costs of tax cuts or increases in entitlement spending with savings elsewhere in the budget.

**"By restoring 'pay-as-you-go' budget discipline as the law of the land, we are returning to the basic rule for every family budget: you don't spend money you don't have,"** said Congressman Carnahan.

The measure passed today is similar to the PAYGO law Democrats put in place in the 1990s, which helped reverse huge deficits of the Reagan-Bush years, create budget surpluses, and produce an economic boom.

**"This is a crucial step to restore fiscal discipline, force the tough choices on taxes and spending, and begin bringing down the deep deficits that face our nation,"** said Carnahan. "

**Without reducing the deficit, we will be limited in our ability to invest in vital priorities, including health care, education, and clean energy, critical to our economic future."**

The Republican-controlled Congress let these rules expire in 2002, contributing to the dramatic shift from a projected surplus of \$5.6 trillion to projected deficits of \$4.5 trillion. Congressman Carnahan, as an original co-sponsor of PAYGO legislation, has demonstrated a strong commitment to fiscal responsibility:

- Voting for a budget that cuts the deficit by two-thirds in four years;
- Voting for the clean-energy bill that is fully paid for;
- Working on a fully paid for health care reform bill - the single most important thing we can do to bring down long-term deficits.

The bill requires Congress to offset or pay for all new policies that reduce revenues or expand entitlement spending over five and ten years; discretionary spending is not subject to PAYGO, and exceptions can be made for emergencies. If the net effect of all new tax and entitlement legislation enacted during a session of Congress increased the deficit, there would be an

across-the-board cut in certain mandatory programs.

This proposal is realistic and enforceable; allowing Congress to maintain a few key widely supported bipartisan current policies without offsets - Medicare physician payments, Alternative Minimum Tax, middle-class tax cuts, and the current estate tax rate.

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